

Senate Bill No. 510

Passed the Senate May 31, 2011

Secretary of the Senate

Passed the Assembly August 25, 2011

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2011, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 10165 of, and to add Section 10164 to, the Business and Professions Code, relating to real estate licensees.

LEGISLATIVE COUNSEL'S DIGEST

SB 510, Correa. Real estate brokers: corporate officers: designating branch managers.

The Real Estate Law, the willful violation of which is a crime, provides for the regulation and licensure of real estate brokers and real estate salespersons by the Real Estate Commissioner in the Department of Real Estate. Existing law also requires a real estate broker to procure an additional license for each branch office maintained by the broker. Existing law authorizes the commissioner to suspend or revoke a licensee's license for violations of specified requirements.

This bill would authorize an employing broker or corporate designated broker officer appointed by an employing broker to appoint a manager of a branch office or division of the employing broker's real estate business and delegate to that manager responsibility to oversee and supervise operations and activities, as specified. The bill would also require that the appointment be made by means of a written contract and that the employing broker or corporate designated broker officer send a notice to the department identifying the appointed manager and branch office or division, as specified. The bill would also require the employing broker or corporate designated broker officer to notify the commissioner, immediately and in writing, whenever a branch manager is terminated or changed. The bill also specifies that an appointee shall not hold a restricted license, be subject to debarment, or have less than 2 years of full-time real estate experience within 5 years preceding the appointment. The bill provisions described above would become operative on July 1, 2012. The bill would authorize the commissioner to suspend or revoke the license of an appointed licensee for failure to properly oversee and supervise operations, as specified.

By adding provisions to the Real Estate Law, the willful violation of which would be a new crime, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 10164 is added to the Business and Professions Code, to read:

10164. (a) An employing broker or corporate designated broker officer may appoint a licensee as a manager of a branch office or division of the employing broker's or employing corporate designated broker officer's real estate business and delegate to the appointed manager the responsibility to oversee day-to-day operations, supervise the licensed activities of licensees, and supervise clerical staff employed in the branch office or division.

(b) Notwithstanding subdivision (a), nothing in this section shall be construed to limit the responsibilities of an employing broker or a corporate designated broker officer pursuant to subdivision (h) of Section 10177. A licensee accepting appointment as a manager shall be subject to disciplinary action pursuant to Section 10165 for failure to properly supervise licensed activity pursuant to subdivision (a).

(c) Appointment of a manager shall only be made by means of a written contract in which the manager accepts the delegated responsibility. The appointing employing broker or corporate designated broker officer shall retain a copy of the contract and send a notice to the department, in a form approved by the commissioner, identifying the appointed manager and the branch office or division the manager is appointed to supervise.

(d) A licensee shall not be appointed as a manager if any of the following apply:

- (1) The licensee holds a restricted license.
- (2) The licensee is or has been subject to an order of debarment.

(3) The licensee is a salesperson with less than two years of full-time real estate experience within five years preceding the appointment.

(e) Whenever an appointment of a branch manager is terminated or changed, the employing broker or corporate designated broker officer shall immediately notify the commissioner thereof in writing.

(f) This section shall become operative on July 1, 2012.

SEC. 2. Section 10165 of the Business and Professions Code is amended to read:

10165. For a violation of any of the provisions of Section 10160, 10161.8, 10162, 10163, or subdivision (b) of Section 10164, the commissioner may temporarily suspend or permanently revoke the license of the real estate licensee in accordance with the provisions of this part relating to hearings.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

Approved _____, 2011

Governor